

COMMITTEE REPORT

Madam President: Pursuant to Joint Rule 20, your Committee on Rules and Legislative Procedure, to which was referred Engrossed Senate Bill 58 because it conflicts with HEA 1134-2006 without properly recognizing the existence of HEA 1134-2006, has had Engrossed Senate Bill 58 under consideration and begs leave to report back to the Senate with the recommendation that Engrossed Senate Bill 58 be corrected as follows:

- 1 Page 2, delete lines 35 through 42, begin a new paragraph and insert:
- 2 "SECTION 3. IC 5-10.4-4-8, AS ADDED BY HEA 1134,
- 3 SECTION 28, IS AMENDED TO READ AS FOLLOWS
- 4 [EFFECTIVE JULY 1, 2006]: Sec. 8. (a) This subsection applies to a
- 5 member who retires before July 1, 1980. A member who had completed
- 6 four (4) years of approved college teacher education before voluntary
- 7 or involuntary induction into the military services is entitled to credit for
- 8 that service as if the member had begun teaching before the induction.
- 9 A member who serves in military service is considered a teacher and is
- 10 entitled to the benefits of the fund if before or during the leave of
- 11 absence the member pays into the fund the member's contributions.
- 12 Time served by a member in military service for the duration of the
- 13 hostilities or for the length of active service in the hostilities and the
- 14 necessary demobilization time after the hostilities is not subject to the
- 15 one-seventh rule set forth in section 7 of this chapter.
- 16 (b) This subsection applies to a member who retires after June 30,
- 17 1980. A member who completed four (4) years of approved college
- 18 teacher education before voluntary or involuntary induction into military
- 19 service is entitled to credit for the member's active military service as if
- 20 the member had begun teaching before the induction. A member who
- 21 serves in military service is considered a teacher and is entitled to the
- 22 benefits of the fund if the following conditions are met:
- 23 (1) The member has an honorable discharge.
- 24 (2) Except as provided in subsection (e), the member returns to

active teaching service not later than eighteen (18) months after the completion of active military service.

(3) The member has at least ten (10) years of in-state service credit.

The time served by a member in military service for the duration of the hostilities or for the length of active service in the hostilities and the necessary demobilization time after the hostilities is not subject to the one-seventh rule set forth in section 7 of this chapter. However, not more than six (6) years of military service credit may be granted under this subsection.

(c) This subsection applies to a member who retires after May 1, 1989. A member who had begun but had not completed four (4) years of approved college teacher education before voluntary or involuntary induction into the military services is entitled to service credit in an amount equal to the duration of the member's active military service if the following conditions are met:

(1) The member has an honorable discharge.

(2) Except as provided in subsection (e), the member returns to a four (4) year approved college teacher training program not later than eighteen (18) months after the completion of active military service and subsequently completes that program.

(3) The member has at least ten (10) years of in-state service credit.

The time served by a member in active military service for the length of active service in the hostilities and the necessary demobilization is not subject to the one-seventh rule set forth in section 7 of this chapter. However, not more than six (6) years of military service credit may be granted under this subsection.

(d) This subsection applies to a member who retires after May 1, 1991, and who is employed at a state institution of higher education. A member who had begun but had not completed baccalaureate or post-baccalaureate education before voluntary or involuntary induction into military service is entitled to the member's active military service credit for the member's active military service in an amount equal to the duration of the member's military service if the following conditions are met:

(1) The member received an honorable discharge.

(2) Except as provided in subsection (e), the member returns to baccalaureate or post-baccalaureate education not later than

1 eighteen (18) months after completion of active military service
2 and subsequently completes that education.

3 (3) The member has at least ten (10) years of in-state service
4 credit.

5 The time served by a member in active military service for the length of
6 active service in the hostilities and the necessary demobilization is not
7 subject to the one-seventh rule set forth in section 7 of this chapter.
8 However, not more than six (6) years of military service credit may be
9 granted under this subsection.

10 (e) The board shall extend the eighteen (18) month deadline
11 contained in subsection (b)(2), (c)(2), or (d)(2) if the board determines
12 that an illness, an injury, or a disability related to the member's military
13 service prevented the member from returning to active teaching service
14 or to a teacher education program not later than eighteen (18) months
15 after the member's discharge from military service. However, the board
16 may not extend the deadline beyond thirty (30) months after the
17 member's discharge.

18 (f) If a member retires and the board subsequently determines that
19 the member is entitled to additional service credit due to the extension
20 of a deadline under subsection (e), the board shall recompute the
21 member's benefit. However, the additional service credit may be used
22 only in the computation of benefits to be paid after the date of the
23 board's determination, and the member is not entitled to a
24 recomputation of benefits received before the date of the board's
25 determination.

26 (g) Notwithstanding any provision of this section, a member is
27 entitled to military service credit and benefits in the amount and to the
28 extent required by the federal Uniformed Services Employment and
29 Reemployment Rights Act (38 U.S.C. 4301 et seq.), including all later
30 amendments.

31 (h) Subject to this section, an active member may purchase not more
32 than two (2) years of service credit for the member's service on active
33 duty in the armed services if the member meets the following
34 conditions:

35 (1) The member has at least one (1) year of credited service in the
36 fund.

37 (2) The member serves on active duty in the armed services of the
38 United States for at least six (6) months.

39 (3) The member receives an honorable discharge from the armed

1 services.

2 (4) Before the member retires, the member makes contributions to
3 the fund as follows:

4 (A) Contributions that are equal to the product of:

5 (i) the member's salary at the time the member actually
6 makes a contribution for the service credit;

7 (ii) a rate, determined by the actuary of the fund, that is
8 based on the age of the member at the time the member
9 actually makes a contribution for service credit and
10 computed to result in a contribution amount that
11 approximates the actuarial present value of the benefit
12 attributable to the service credit purchased; and

13 (iii) the number of years of service credit the member intends
14 to purchase.

15 (B) Contributions for any accrued interest, at a rate determined
16 by the actuary of the fund, for the period from the member's
17 initial membership in the fund to the date payment is made by
18 the member.

19 However, a member is entitled to purchase service credit under this
20 subsection only to the extent that service credit is not granted for that
21 time under another provision of this section. At least ten (10) years of
22 service in Indiana is required before a member may receive a benefit
23 based on service credits purchased under this section. A member who
24 terminates employment before satisfying the eligibility requirements
25 necessary to receive a monthly allowance or receives a monthly
26 allowance for the same service from another tax supported public
27 employee retirement plan other than under the federal Social Security
28 Act may withdraw the purchase amount plus accumulated interest after
29 submitting a properly completed application for a refund to the fund.

30 (i) The following apply to the purchase of service credit under
31 subsection (h):

32 (1) The board may allow a member to make periodic payments of
33 the contributions required for the purchase of the service credit.
34 The board shall determine the length of the period during which
35 the payments must be made.

36 (2) The board may deny an application for the purchase of service
37 credit if the purchase would exceed the limitations under Section
38 415 of the Internal Revenue Code.

39 (3) A member may not claim the service credit for purposes of

1 determining eligibility or computing benefits unless the member
2 has made all payments required for the purchase of the service
3 credit.

4 **(j) This subsection applies to a member who retires after June**
5 **30, 2006. A member may not receive credit under this section for**
6 **service for which the member receives service credit under the**
7 **terms of a military or another governmental retirement plan."**

8 Delete pages 3 through 6.

(Reference is to ESB 58 as printed February 17, 2006.)

Senator GARTON, Chairperson

Senator R YOUNG, R.M.M.

Senator HARRISON